

Strongsville City Schools

FY 22 Annual Budget and Five Year Forecast

September 23, 2021



Strongsville City Schools

- Estimated Resources - All Funds

Estimated Resources - All Funds

Fund Number	Fund	Unencumbered Beginning Balance	Estimated Revenues	FY 22 Total Estimated Resources
001	General Fund	\$50,917,011	\$81,600,270	\$132,517,281
Special Revenue Funds:				
018	Public School Support	\$166,962	\$89,500	\$256,462
019	Other Local Grants	\$103,230	\$81,450	\$184,680
200	Student Managed Student Activity	\$169,117	\$205,650	\$374,767
300	District Managed Student Activity	\$227,031	\$592,650	\$819,681
401	Auxiliary Services	\$3,250	\$40	\$3,290
451	Data Communications	\$0	\$12,600	\$12,600
467	Student Wellness and Success Funds	\$220,488	\$0	\$220,488
499	Miscellaneous State Grants	\$12,736	\$34,282	\$47,018
507	CARES Act / ESSER Fund	\$0	\$6,100,396	\$6,100,396
516	IDEA, Part B Special Education	\$0	\$1,381,847	\$1,381,847
551	Title III - Limited English Proficiency	\$0	\$79,080	\$79,080
572	Title I - Disadvantaged Children	\$319	\$783,033	\$783,352
	Title IV-A - Student Support & Academic			
584	Enrichment	\$0	\$41,876	\$41,876
587	IDEA, Preschool Grant	\$123	\$29,188	\$29,311
590	Title II-A - Improving Teacher Quality	\$4	\$245,729	\$245,733
599	Miscellaneous Federal Grants	\$0	\$157,174	\$157,174
Debt Service Funds:				
002	Bond Retirement	\$4,690,657	\$4,220,808	\$8,911,465
Capital Projects Funds:				
003	Permanent Improvement	\$1,503,275	\$1,210,597	\$2,713,872
004	Building Fund	\$668,064	\$85,834	\$753,898
Enterprise Funds:				
006	Food Services	\$0	\$2,285,513	\$2,285,513
009	Uniform School Supplies	\$108	\$383,500	\$383,608
Internal Service Funds:				
014	Internal Service Rotary Fund	\$243,036	\$290,275	\$533,311
023	Liability Self-Insurance	\$27,266	\$30,000	\$57,266
024	Employee Benefits Self-Insurance	\$3,784,100	\$11,746,247	\$15,530,347
035	Termination Benefits	\$250,000	\$250,000	\$500,000
Fiduciary Funds				
022	District Agency Fund	\$7,727	\$151,360	\$159,087
Total Estimated Resources		\$62,994,505	\$112,088,899	\$175,083,403

Annual Appropriation - All Funds

Fund Number	Fund	FY 2022 Appropriation	Carryover Encumbrances	FY22 Total Appropriation
001	General Fund	\$76,361,185	\$2,173,525	\$78,534,710
Special Revenue Funds:				
018	Public School Support	\$204,550	\$210	\$204,760
019	Other Local Grants	\$184,240	\$75,982	\$260,222
200	Student Managed Student Activity	\$352,799	\$6,171	\$358,969
300	District Managed Student Activity	\$744,000	\$14,315	\$758,315
401	Auxiliary Services	\$3,290	\$40,922	\$44,212
451	Data Communications	\$12,600	\$0	\$12,600
467	Student Wellness and Success Funds	\$213,456	\$38,017	\$251,472
499	Miscellaneous State Grants	\$47,018	\$14,998	\$62,017
507	CARES Act / ESSER Fund	\$6,100,396	\$1,000	\$6,101,396
516	IDEA, Part B Special Education	\$1,381,847	\$297	\$1,382,144
551	Title III - Limited English Proficiency	\$79,080	\$29,843	\$108,923
572	Title I - Disadvantaged Children	\$783,033	\$0	\$783,033
	Title IV-A - Student Support & Academic			
584	Enrichment	\$41,876	\$0	\$41,876
587	IDEA, Preschool Grant	\$29,311	\$0	\$29,311
590	Title II-A - Improving Teacher Quality	\$245,733	\$0	\$245,733
599	Miscellaneous Federal Grants	\$157,174	\$58,730	\$215,904
Debt Service Funds:				
002	Bond Retirement	\$3,435,137	\$0	\$3,435,137
Capital Projects Funds:				
003	Permanent Improvement	\$1,492,312	\$282,576	\$1,774,889
004	Building Fund	\$0	\$0	\$0
Enterprise Funds:				
006	Food Services	\$2,277,495	\$60,001	\$2,337,496
009	Uniform School Supplies	\$383,500	\$557	\$384,057
Internal Service Funds:				
014	Internal Service Rotary Fund	\$355,475	\$27,516	\$382,991
023	Liability Self-Insurance	\$57,266	\$23,481	\$80,748
024	Employee Benefits Self-Insurance	\$12,004,091	\$8,875	\$12,012,966
035	Termination Benefits	\$250,000	\$0	\$250,000
Fiduciary Funds				
022	District Agency Fund	\$154,631	\$166	\$154,797
Total Appropriation		\$107,351,495	\$2,857,183	\$110,208,678

General Fund Appropriation Summary

Total General Fund by Function	FY 2022 Appropriation	Percent of Appropriation	Per Pupil Amount
<i>Instruction:</i>			
Regular Instruction	\$31,412,828	41.14%	\$5,566.69
Special Instruction	\$11,086,815	14.52%	\$1,964.70
Vocational Instruction	\$1,039,039	1.36%	\$184.13
<i>Support Services:</i>			
Support Services - Pupils	\$5,742,268	7.52%	\$1,017.59
Support Services - Instructional Staff	\$2,973,971	3.89%	\$527.02
Support Services - Board of Education	\$42,177	0.06%	\$7.47
Support Services - Administration	\$4,537,413	5.94%	\$804.08
Support Services - Fiscal Services	\$2,023,961	2.65%	\$358.67
Support Services - Business Services	\$410,576	0.54%	\$72.76
Support Services - Operation and Maintenance of Plant	\$7,898,934	10.34%	\$1,399.78
Support Services - Transportation	\$4,894,225	6.41%	\$867.31
Support Services - Central	\$2,223,438	2.91%	\$394.02
<i>Extracurricular Activities :</i>			
Academic Oriented Activities	\$132,008	0.17%	\$23.39
Sport Oriented Activities	\$1,046,453	1.37%	\$185.44
School & Public Service Co-Curricular	\$44,087	0.06%	\$7.81
<i>Debt Service :</i>			
Debt Service	\$417,059	0.55%	\$73.91
<i>Other Uses of Funds :</i>			
Transfers to Other Funds	\$435,934	0.57%	\$77.25
Totals	\$76,361,185	100.00%	\$13,532

Note: For FY 2021-2022 Budget Per Pupil Amount decreased by \$230 from \$13,762 to \$13,532 compared to FY 2020-2021.

Strongsville City Schools

- Five Year Forecast - General Fund

Five Year Forecast - Contents

- Major Assumptions
- General Fund Revenues
- General Fund Expenditures
- Five Year Forecast Summary

Strongsville City Schools

- Major Assumptions

Major Assumptions

Revenue:

- Property Tax Collection Rate - The forecast assumes the gross collection rate (includes delinquencies) will be as follows:

	CY 18	CY 19	CY 20	CY 21	3 Year Average	CY 22 Forecast	CY 23 Forecast	CY 24 Forecast	CY 25 Forecast	CY 26 Forecast
Gross Collection Rates - Includes Delinquencies	98.89%	100.20%	99.49%	96.85%	98.85%	98.85%	98.85%	98.85%	98.85%	98.85%

- The forecast assumes a 98.85% gross collection rate which is the three year average of Calendar Years 2019 through 2021. The gross collection rate did decrease to 96.85% in calendar year 2021 compared to calendar year 2020 of 99.49%.

Major Assumptions - Continued

Revenue (continued):

- The forecast assumes the following changes to assessed valuation by collection calendar year:

Collection Year	Residential	Commercial	Public Utility	Total
CY 17 Actual	\$1,099,063,440	\$331,059,270	\$36,099,090	\$1,466,221,800
CY 18 Actual	\$1,109,881,590	\$347,199,500	\$38,919,200	\$1,496,000,290
CY 19 Actual	\$1,229,566,800	\$355,224,080	\$40,943,650	\$1,625,734,530
CY 20 Actual	\$1,240,535,320	\$339,875,680	\$44,926,610	\$1,625,337,610
CY 21 Actual	\$1,250,745,940	\$363,509,730	\$49,168,210	\$1,663,423,880
CY 22 Forecast	\$1,447,366,633	\$341,844,632	\$52,595,234	\$1,841,806,499
CY 23 Forecast	\$1,459,373,358	\$342,630,874	\$56,261,122	\$1,858,265,354
CY 24 Forecast	\$1,470,604,578	\$343,530,399	\$60,182,522	\$1,874,317,499
CY 25 Forecast	\$1,525,429,284	\$352,414,850	\$64,377,244	\$1,942,221,378
CY 26 Forecast	\$1,537,626,532	\$343,252,064	\$68,864,338	\$1,949,742,934

- Collection Year 2022 is a triennial budget year for Cuyahoga County. The forecast assumes that residential values will increase by 15% and commercial values will increase by 5%, which are the preliminary estimates that were presented by Cuyahoga County.
- Public Utility values are estimated to increase by 6.97% which is the historical average annual increase.

Major Assumptions - Continued

Revenue (continued):

- The forecast assumes that in collection year 2022, commercial property will decrease in assessed valuation by \$42,653,310 due to the sale of South Park Mall. During April of 2021, the mall was valued by the county at \$181,866,600 and sold for \$57,720,150. Prior to the sale, South Park Mall filed a complaint with the Board of Revisions requesting a value of \$60,000,000. A decrease of \$121,866,600 or \$42,653,310 of assessed valuation (assessed valuation = 35% of value). The decrease in assessed valuation is offset by the 5% increase of commercial values in the 2021 triennial update.
- Additionally, the forecast assumes a tax refund of \$2,294,743 in FY 2022 for South Park Mall for tax years 2018, 2019, 2020, due to open Board of Revisions Complaints. No final determinations have been awarded yet as the complaints are pending, the forecast assumes the worst case scenario.
- In November 2016 residents renewed a 5 year 6 mill levy with collection beginning January 2018. The forecast assumes the levy will expire tax year December 31, 2021. Collections will continue through December 31, 2022.
- In May 2019 residents approved a 5 year 5.9 mill levy with collection beginning January 2020. The forecast assumes the levy will expire tax year December 31, 2023. Collections will continue through December 31. Collections will continue through December 31, 2024.

Major Assumptions - Continued

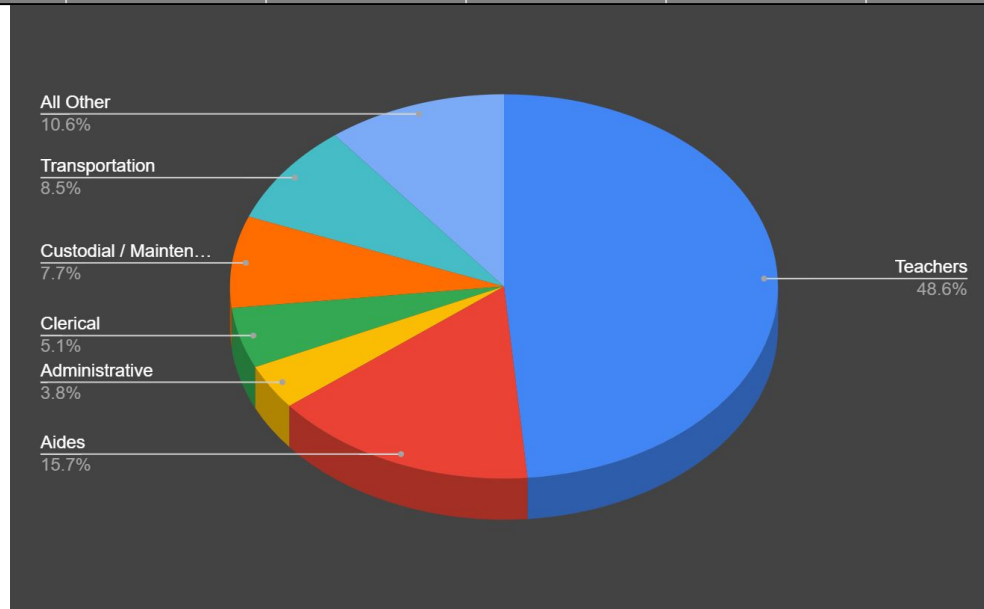
Revenue (continued):

- State Funding - Beginning with FY 2022, state funding is calculated based on the fair funding formula that was approved in the FY 2022-2023 biennium state budget under House Bill 110.

Compared to FY 2021, State Funding may appear to have decrease in the forecast, however, under the fair funding formula pass through funds such as community school funding, private school scholarships, and open enrollment funds will be sent direct to the appropriate school rather than be included in the Districts revenue. Additionally, the appropriate expenditures are also decreasing in the Districts forecast/budget under purchase services. The district expects a combined net impact of \$597,683 in FY 2022. As information changes the estimates will be updated. The district is considered a guarantee district in FY 2022. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

Personnel Trends

STAFFING TRENDS BY JOB CLASSIFICATION						
School District	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2024
Teachers	347.8	351.9	372.04	365.24	364.74	361.74
Aides	118	118	120	120	120	120
Administrative	26	26	29	29	29	29
Clerical	41	40	39	39	39	39
Custodial / Maintenance	53.5	58	59	59	59	59
Transportation	69.5	64.25	65	65	65	65
All Other	71.63	70.63	81	76	76	75
TOTAL	727.43	728.78	765.04	753.24	752.74	748.74
Year to Year Change	-2.91	1.35	36.26	-11.80	-0.50	-4.00



Major Assumptions - Continued

Expenditures:

- Staffing Assumptions (General Fund Only):

	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
General Fund	678	685	688	688	691	691
Prior Year Net Change	+9	+7	+3	0	+3	0

- Forecast assumes all union agreements are as currently defined.
- Health care premiums increased by 3% in FY 21. For FY 22, the district will experience a 1.37% increase. For fiscal years 2023-2026, the projected annual increase is 8%.
- During FY 20 and FY 21, the district experienced a cost savings within certain categories (substitute costs, overtime, associated benefits that are a percentage of salary, certain purchase services) due to the school closures. As the district resumes normal operations, those benefits will be restored.

Major Assumptions - Continued

Expenditures (continued):

- Purchase services is forecast to decrease by \$1,514,014 from FY 2021 to FY 2022. The decrease is due to the implementation of fair funding formula beginning in FY 2022. The fair funding formula funds only district educated enrolment thereby reducing tuition costs for open enrollment out, community schools, and scholarships.
- Materials and Supplies is forecasted to increase by \$811,000 from FY 2021 to FY 2022 which is due to FY 2021 savings or unspent budget. Materials and Supplies make up 3.10% of the general fund budget.
- The primary increases in the Capital Outlay category is the purchase of Chromebooks and infrastructure to support the District's 1:1 technology initiative.
- For Additional Assumptions and Details, see the accompanying Five Year Forecast Financial Report.

Major Assumptions - Continued

Expenditures (continued):

- Due to the COVID-19 pandemic, the following budget adjustments were made:
 - Salary and benefits for Remote 2.0 and SCS Connects - \$600,000 for FY 21 only.
 - Strongsville Online Learning Option (SOLO) - FY 21 \$535,000 from the general fund. \$275,000 placeholder for FY 2022 & FY 2023 in ESSER III.
 - PPE Supplies and Equipment - Increased the Operations budget by \$250,000.
 - Custodial Costs - Increased budget hours by 31 hours (salary and benefits).
 - Transfer of Funds
 - Food Services - \$455,604 transfer. (FY21 year only. Have seen a spike in participation rate when district came back 100% in person). Anticipated a break even in FY22 due to current participation rate
 - Athletics - \$78,804 increase due to lost ticket revenue during FY 21.
 - Due to the unrepresented times of the pandemic, we will need to monitor the following areas for fluctuations: Sub costs, SOLO costs, PPE Supplies, Athletics, and Food Services.

Major Assumptions - Continued

Additional Grant Funding (Not in Five Year Forecast):

- The District received additional State and Federal funds to assist the District respond to the COVID-19 pandemic:
 - ESSER I Funding (\$407,128): - Utilized for KG Chromebooks, Chromebook cases grade 3-5, SOLO, hardware and software for remote instruction, and PPE equipment.
 - CoronaVirus Relief Funding (\$285,385): - Utilized for PPE supplies, materials and equipment, elementary and SMS desks to replace tables for social distancing, and disinfection sprayers.
 - BroadbandOhio Connectivity Grant (\$21,205.26): - Utilized for public wifi and transportation hot spots.
 - Library Services & Technology Act CARES Mini Grant (\$3,000) - Utilized for an online digital catalog.
 - ESSER II (FY22 thru FY23) & ESSER III (FY22 thru FY24) (\$6,139,400): - will be used for summer programming, staffing, software/programs to address learning loss, professional development, equipment/supplies, and/or capital improvements. The District is still finalizing the plans. The funds cannot be used to supplant areas that were always a district costs. The funds must be used in connection with responding and preventing to the COVID-19 pandemic.

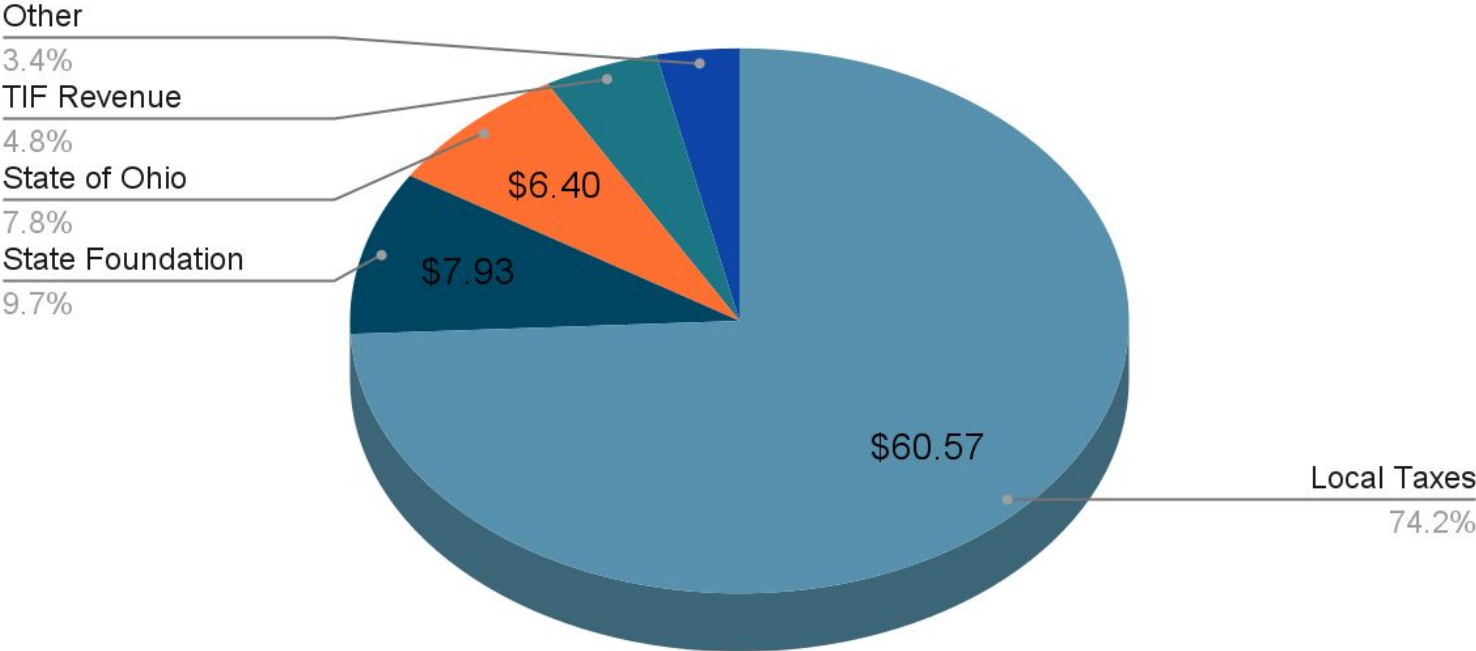
Strongsville City Schools

- General Fund Revenues

Strongsville City Schools

FY 2021-2022

Where the Money Comes From (in millions)



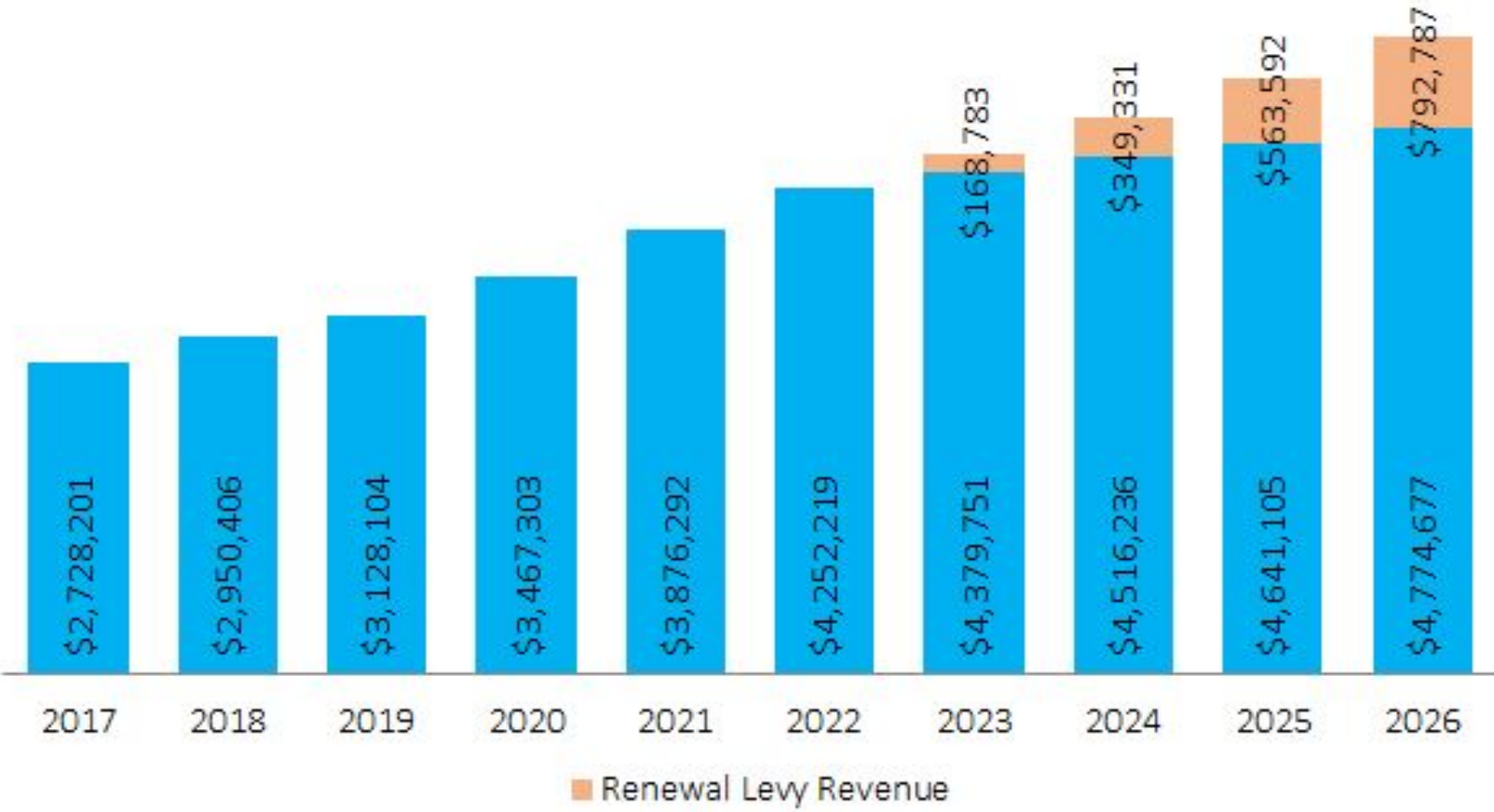
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Local Taxes - Residential and Commercial



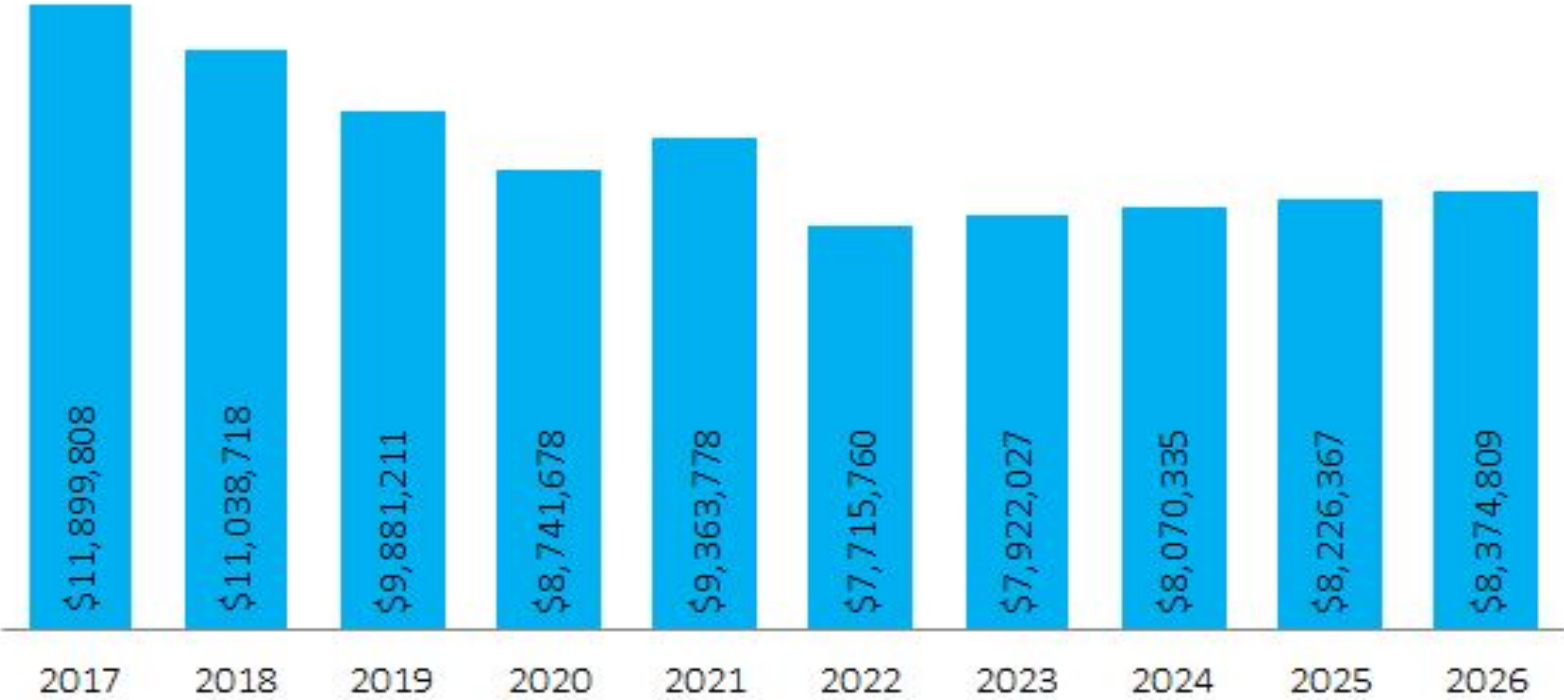
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Local Taxes - Public Utility



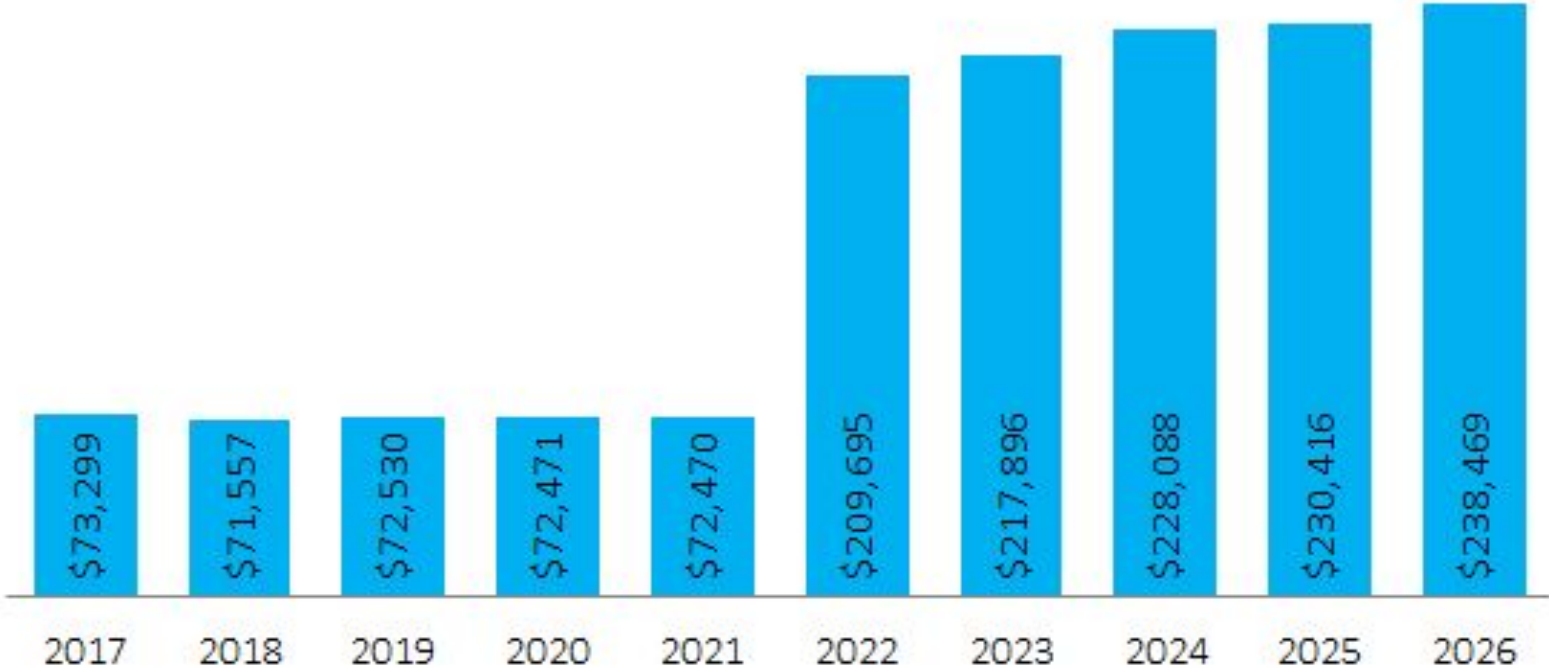
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State Foundation - Unrestricted



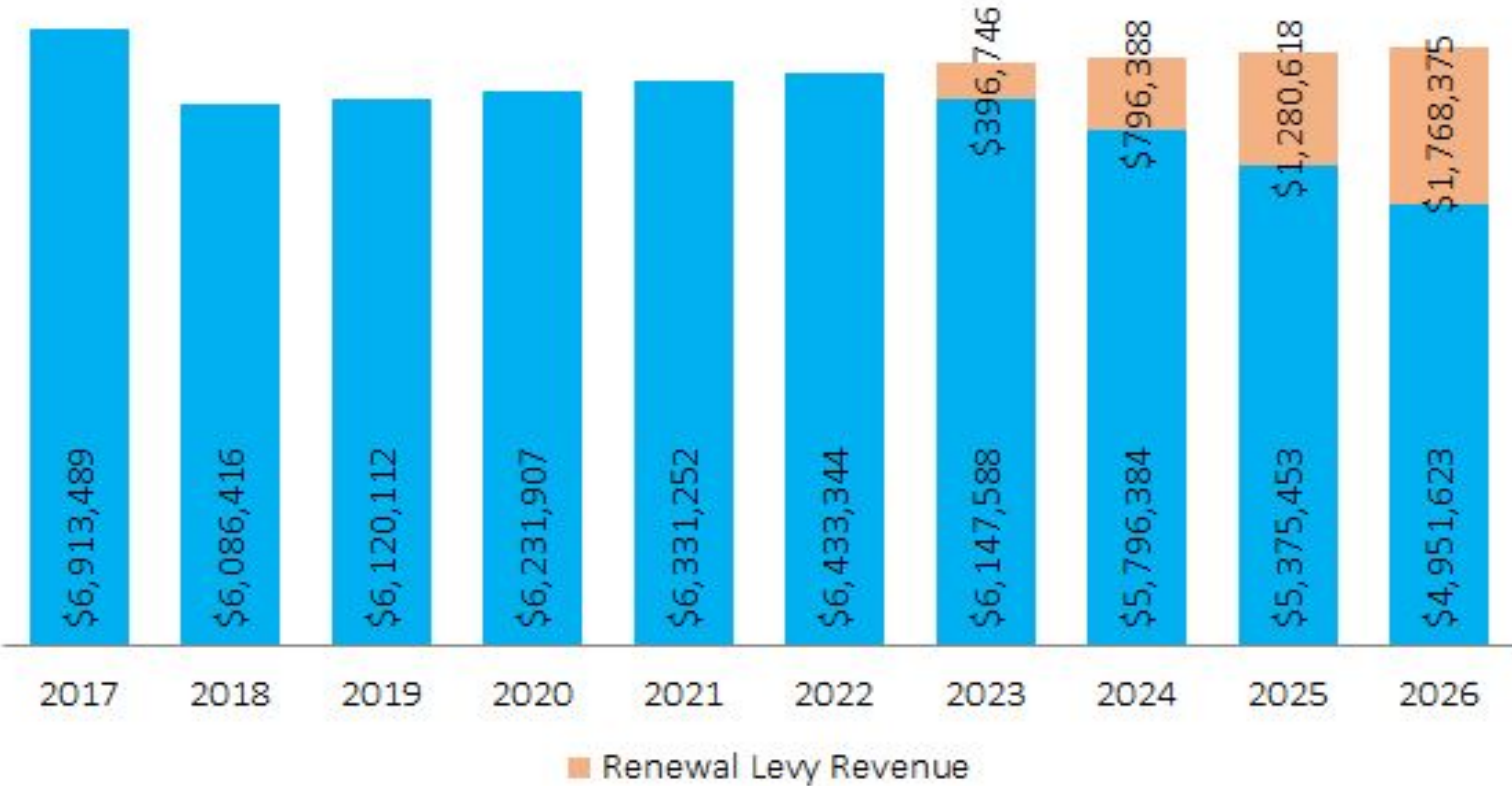
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State Foundation - Restricted



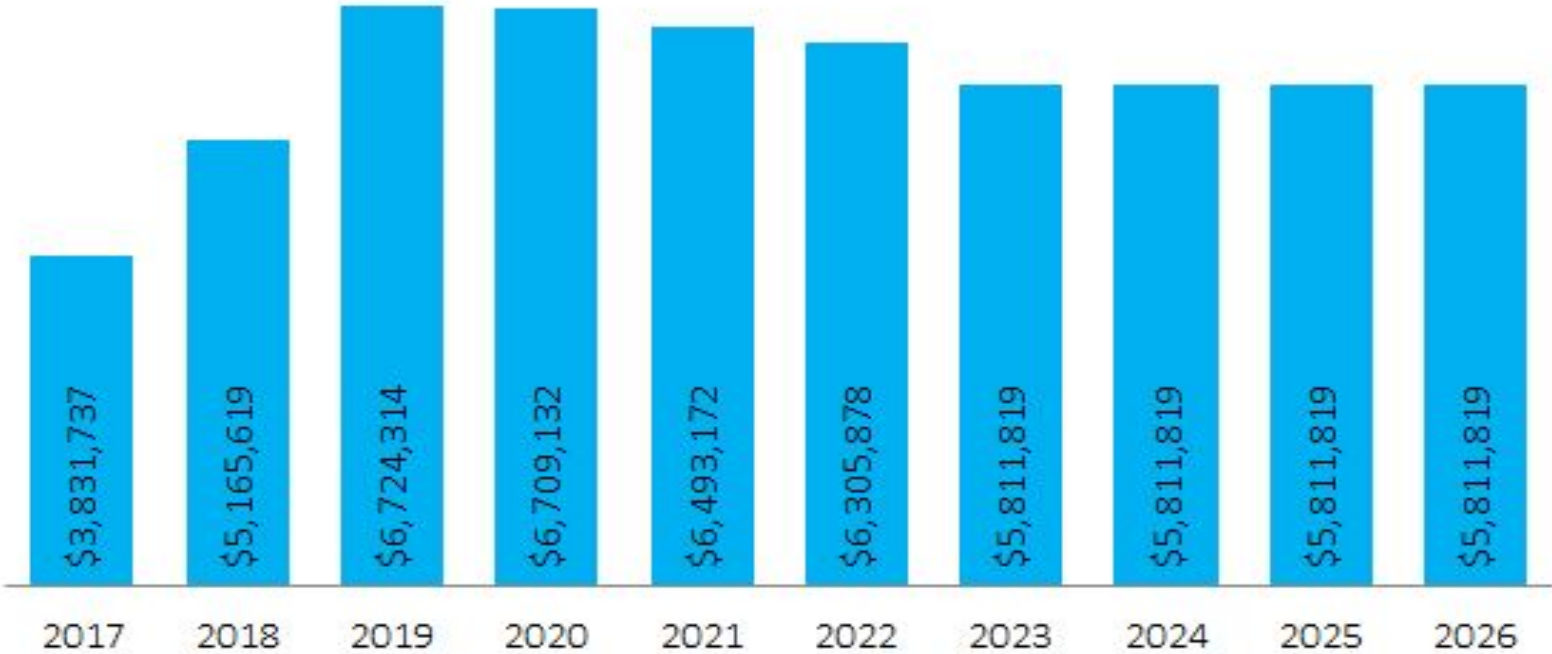
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Property Tax Allocation



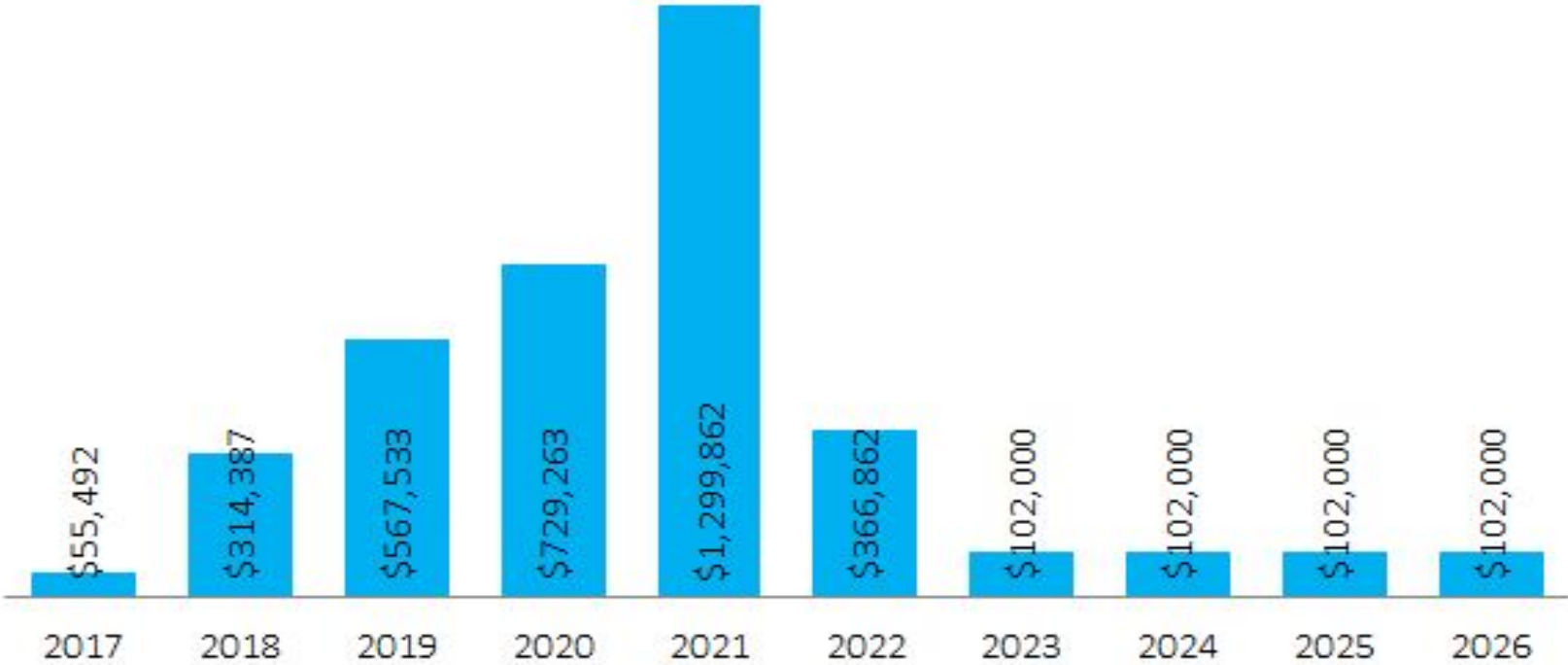
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Other Revenue



Strongsville City Schools

Other Financing Sources



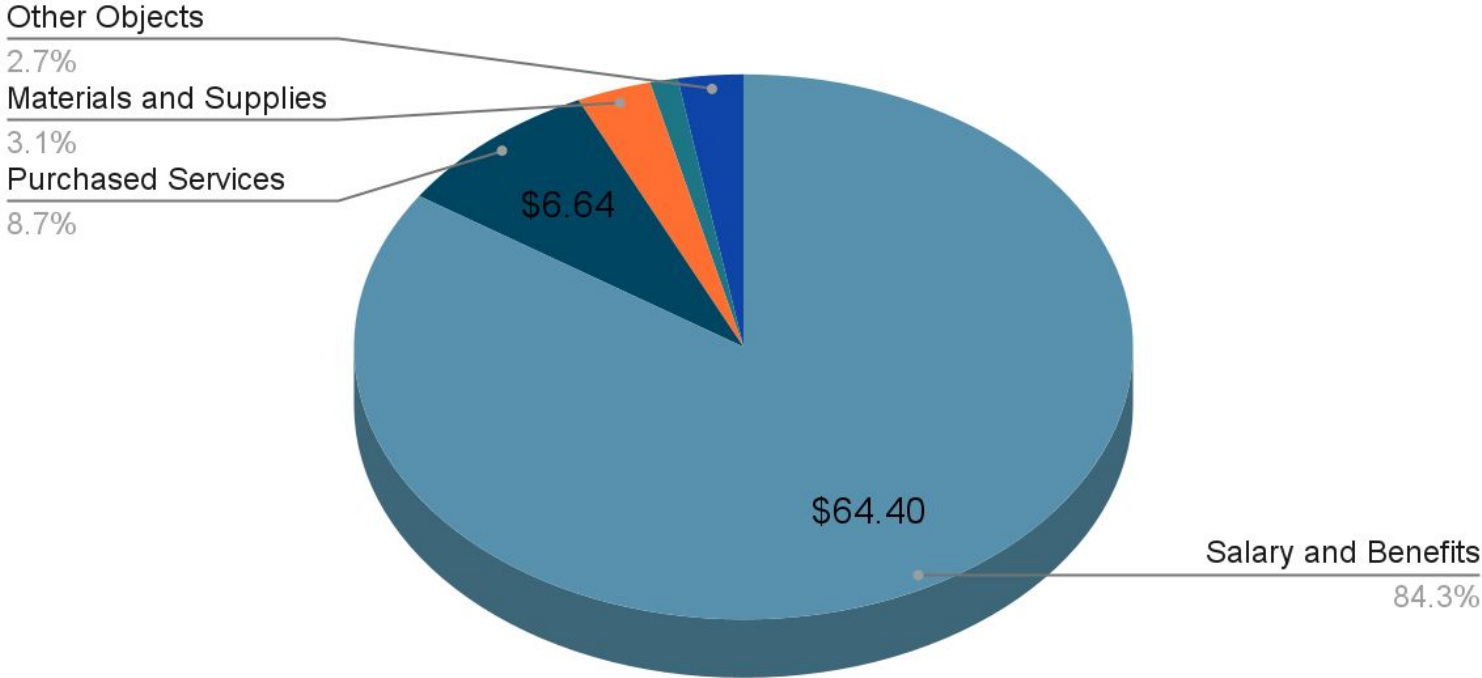
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- General Fund Expenditures

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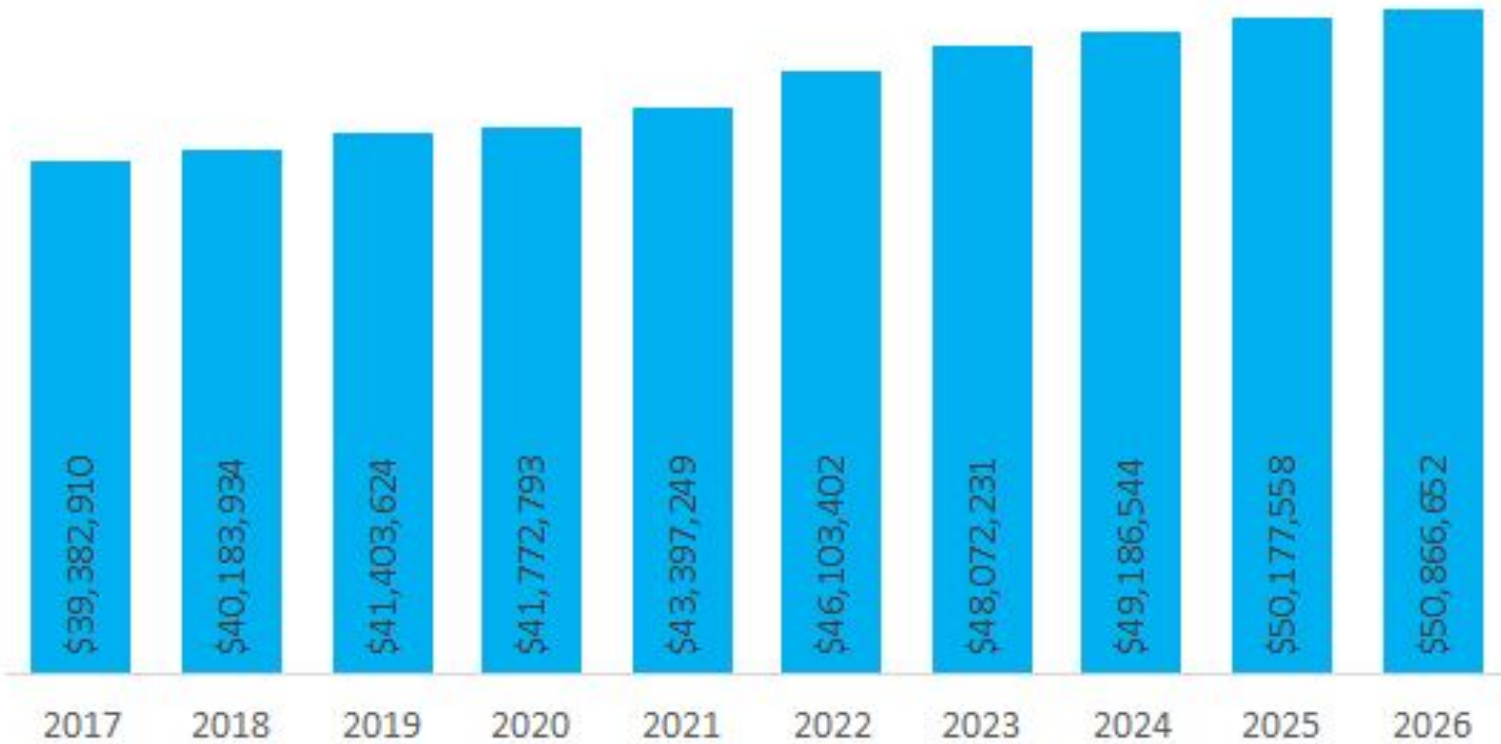
FY 2021-2022

Where The Money Goes (in millions)



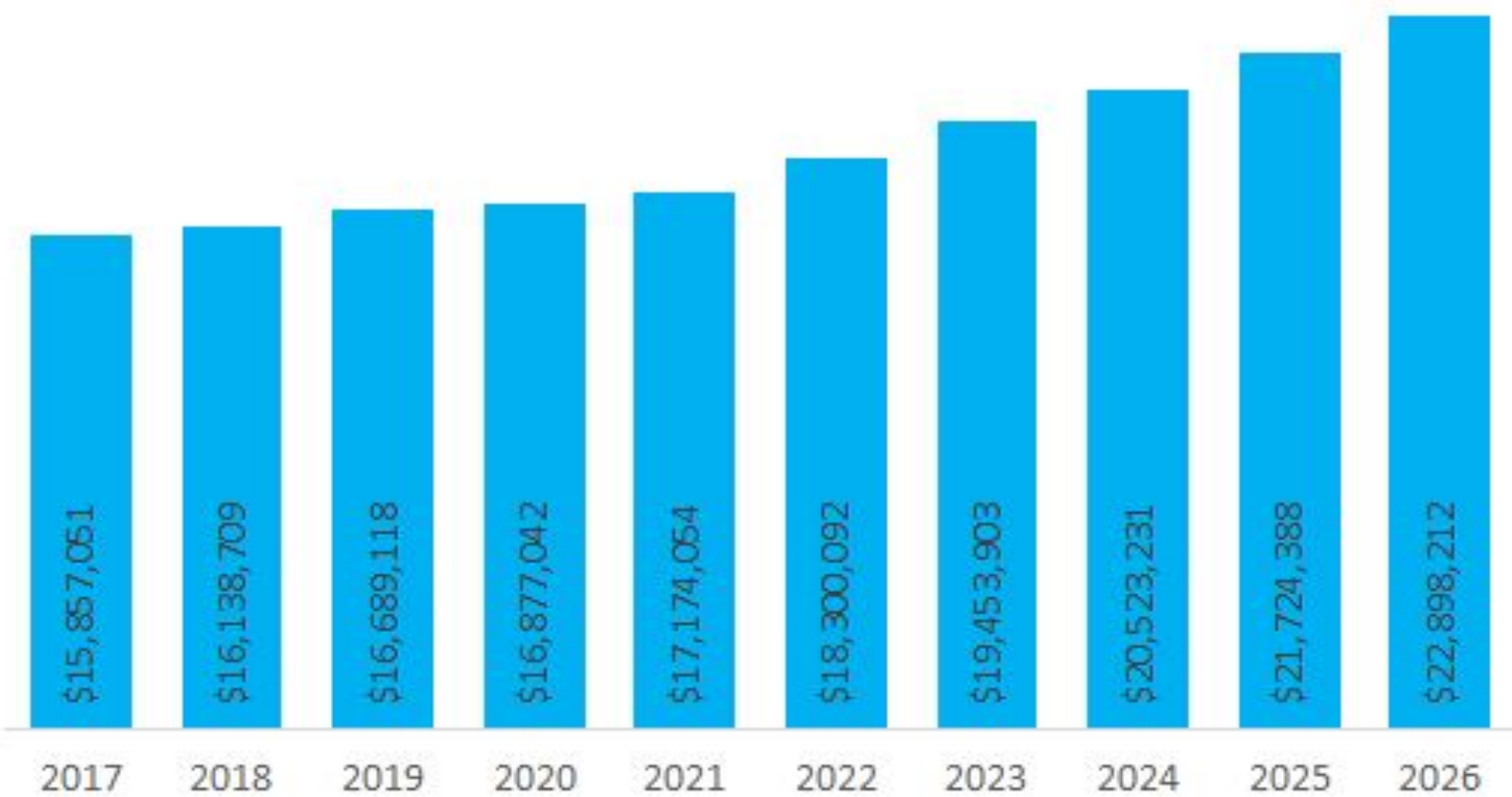
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Salaries



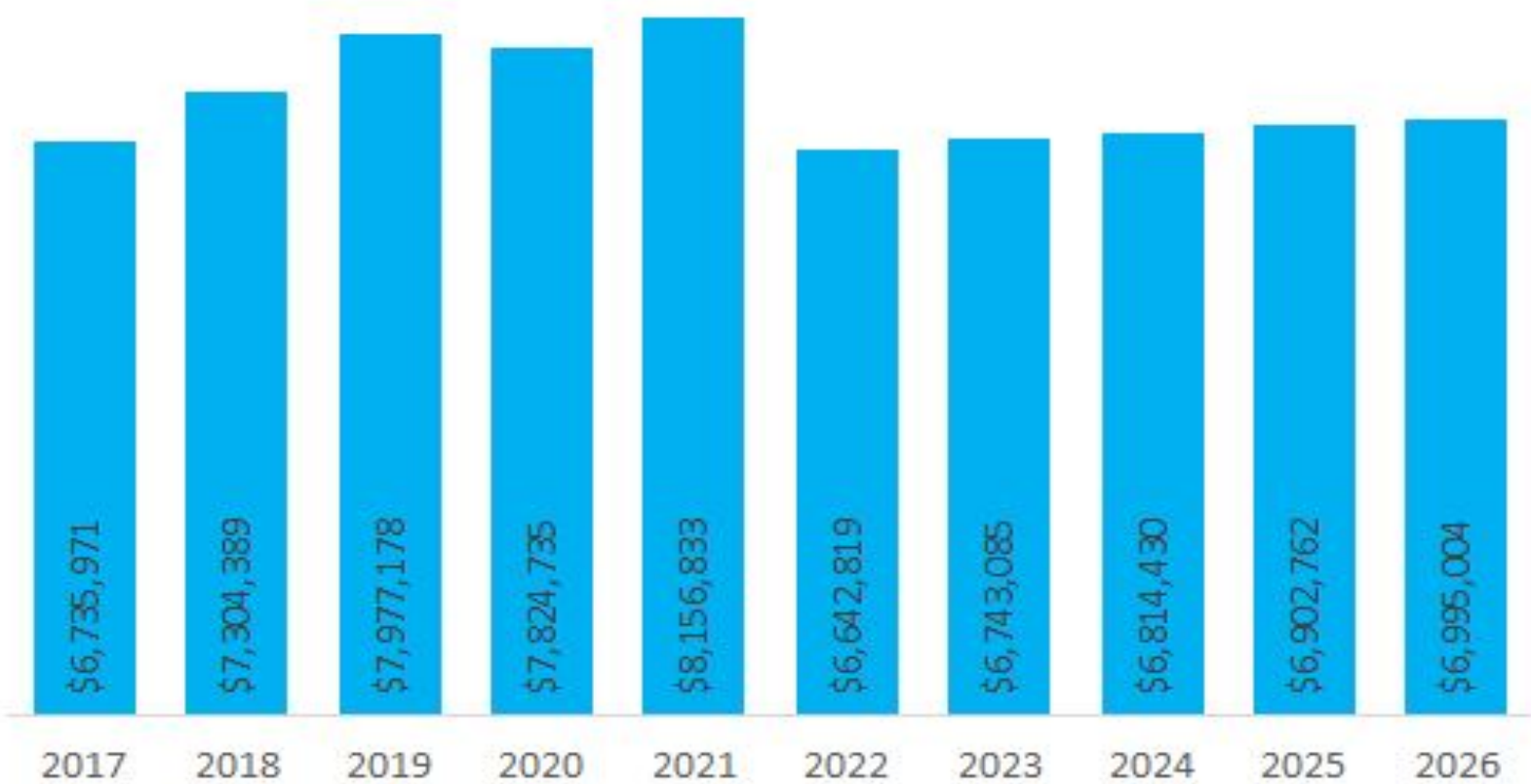
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Benefits



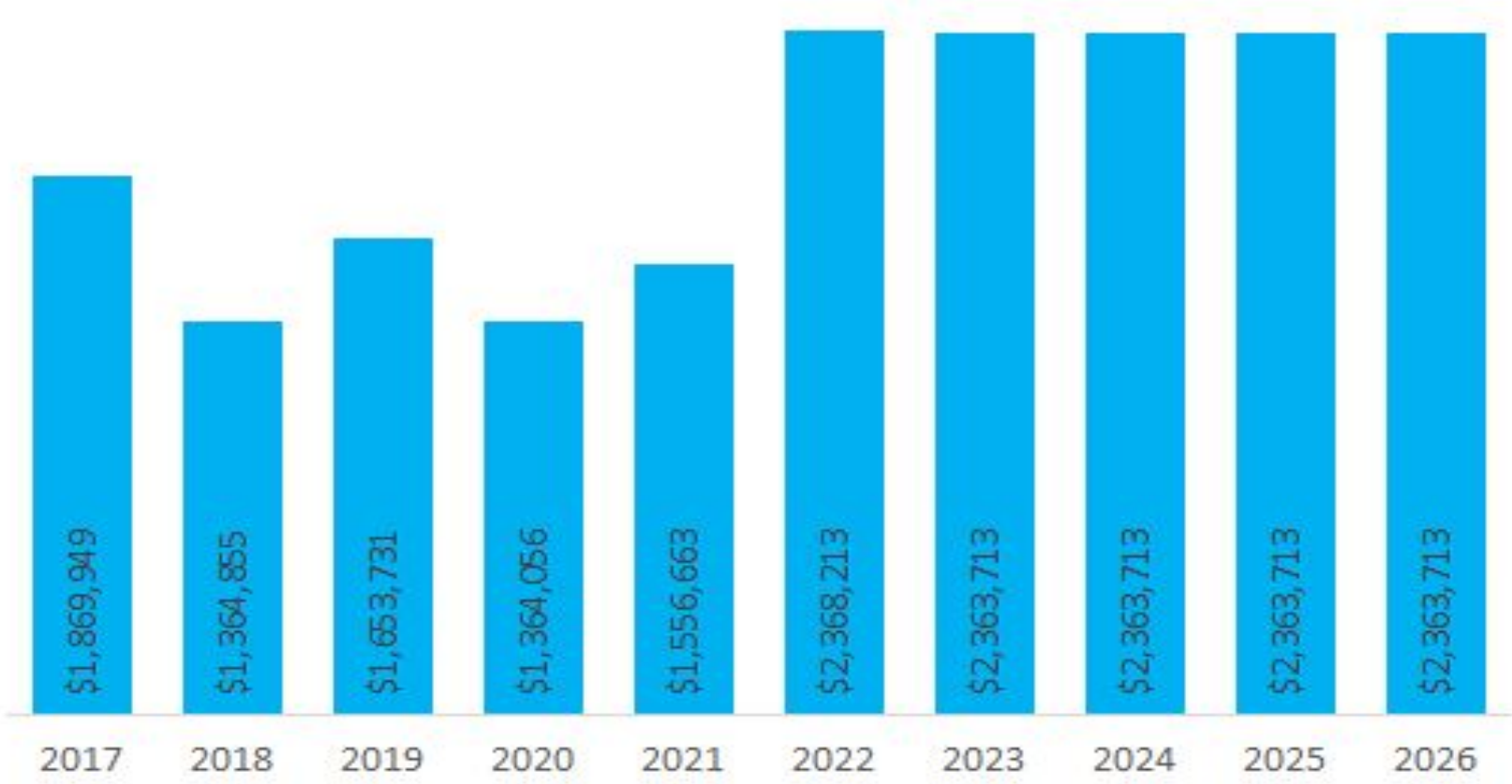
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Purchased Services



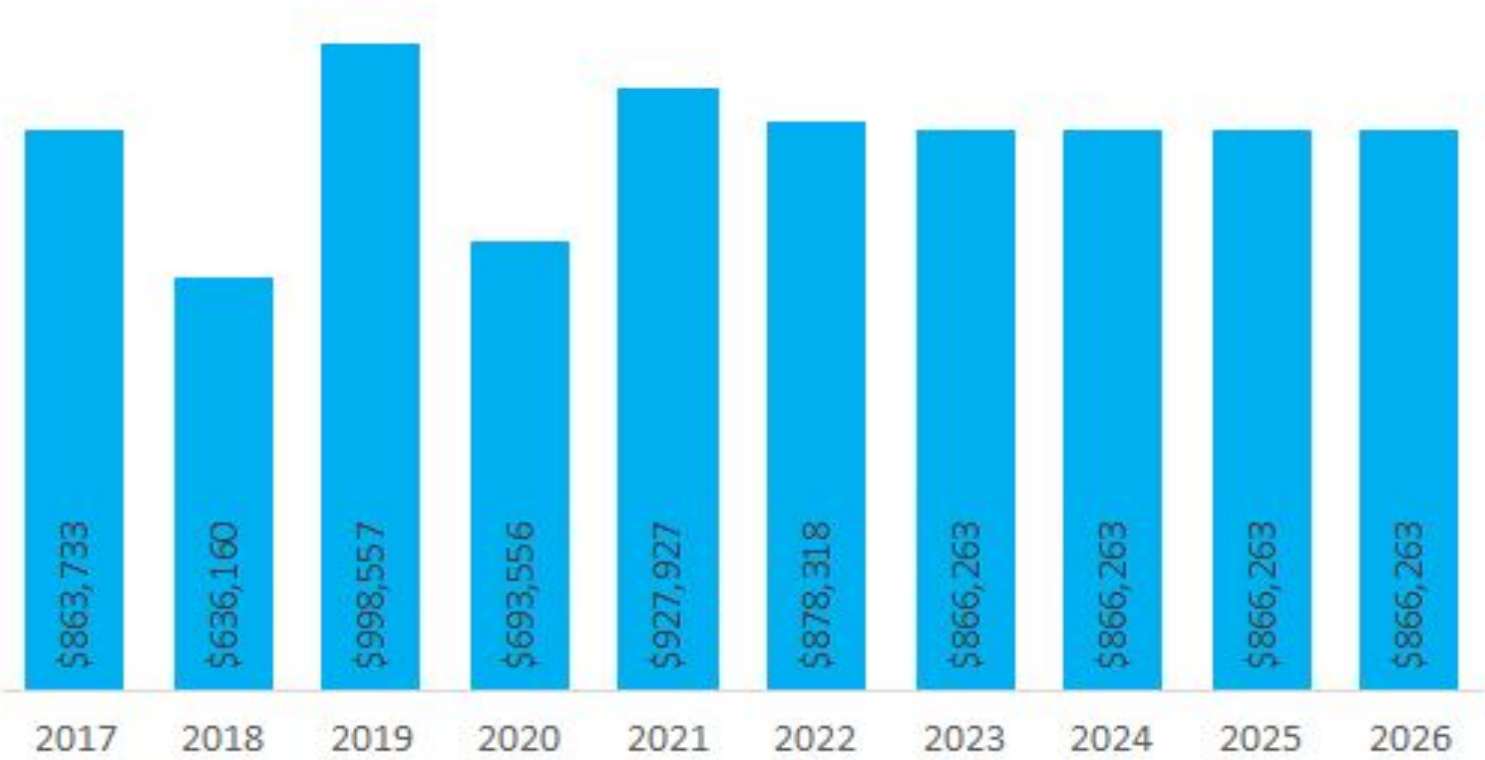
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Supplies and Materials



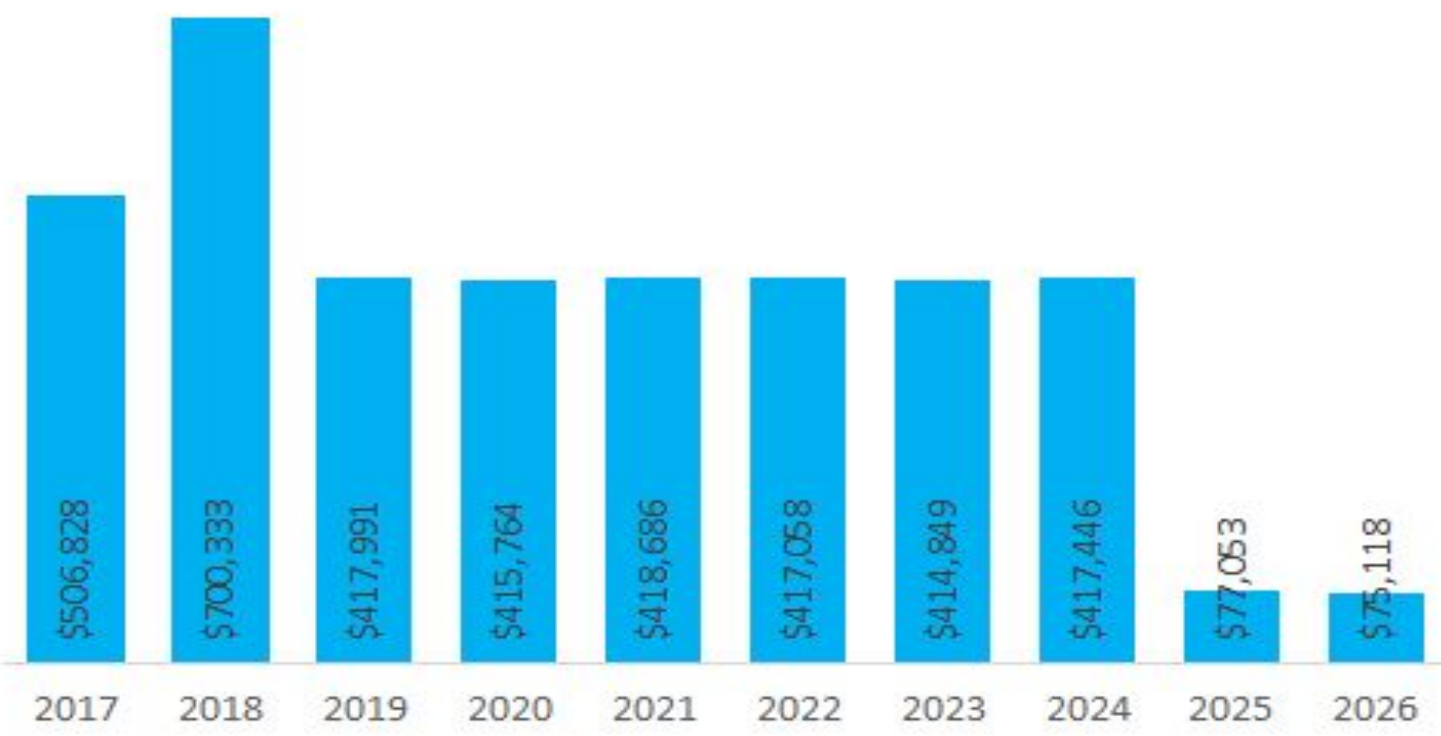
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Capital Outlay



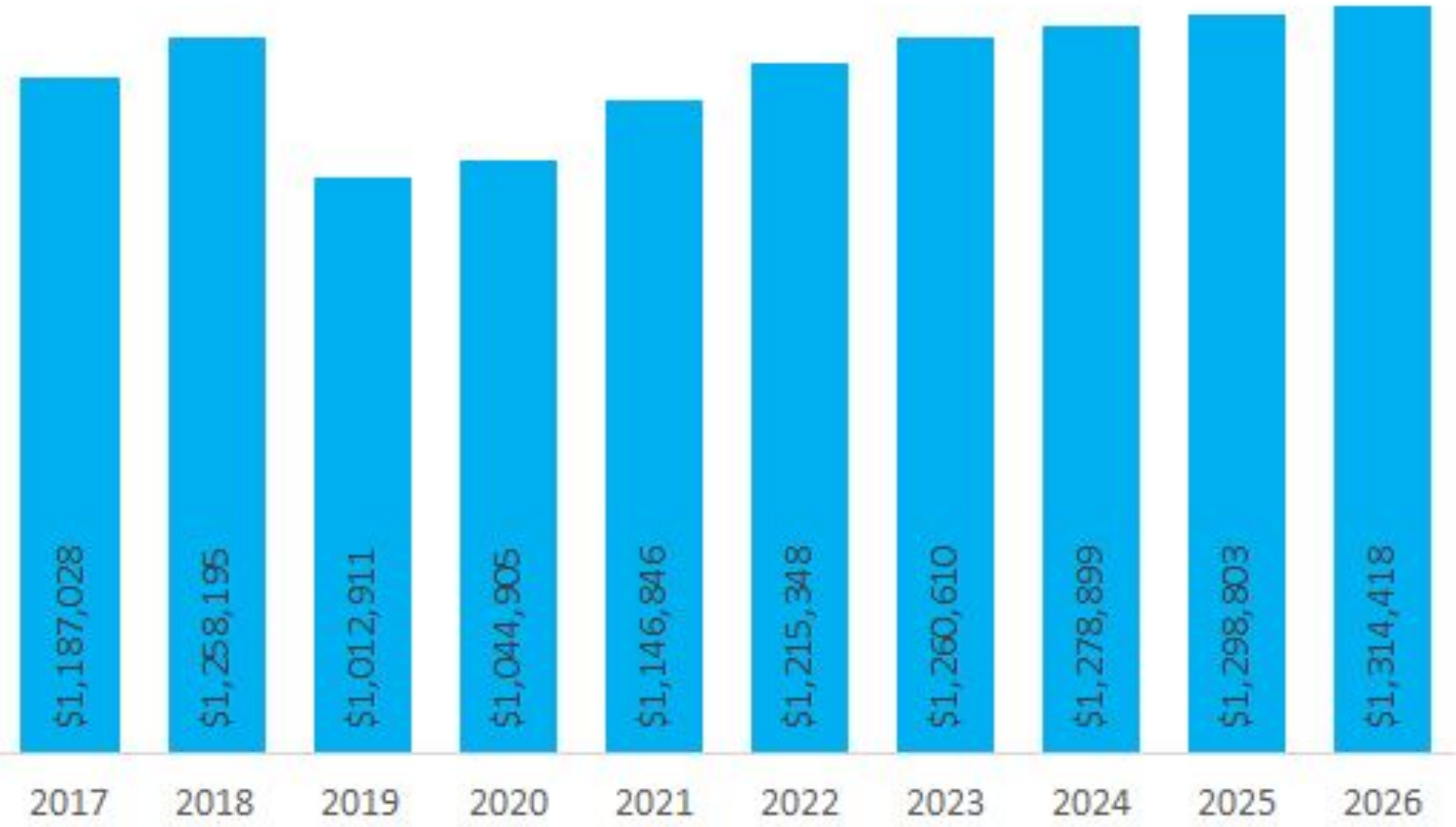
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General Fund Debt



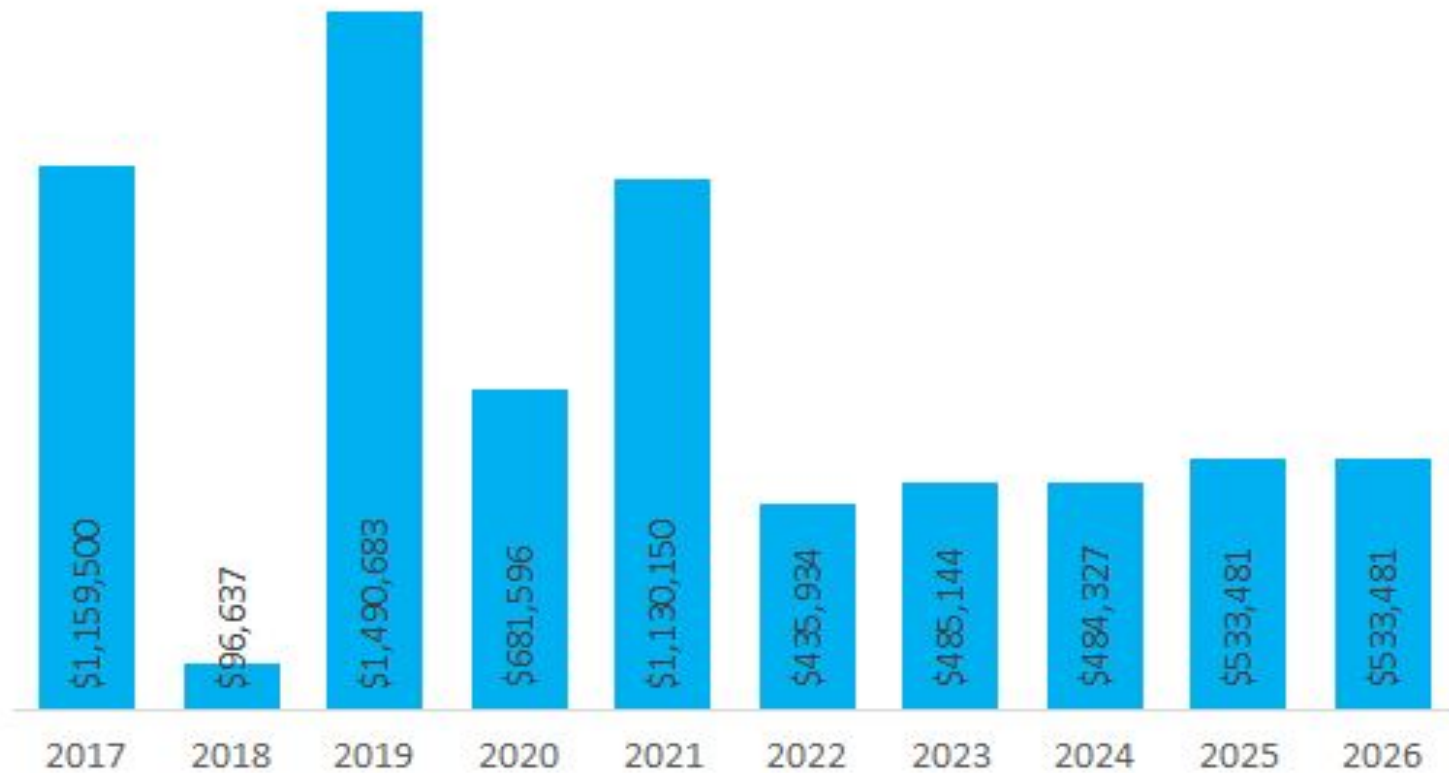
Strongsville City Schools

Other Objects



Strongsville City Schools

Other Financing Sources (transfers & advance out to other funds)



Strongsville City Schools

- General Fund Summary

Strongsville City Schools

September 2021 Five-Year Forecast (in millions)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Beginning Cash Balance	\$31.2	\$32.6	\$41.7	\$53.1	\$58.3	\$59.0	\$54.3	\$43.8
Total Revenues	73.1	79.8	85.3	81.6	80.4	77.2	73.4	69.5
Total Expenditures	71.7	70.7	73.9	76.4	79.7	81.9	83.9	85.9
Revenues over Expenses	1.4	9.1	11.4	5.2	0.7	-4.7	-10.5	-16.4
Ending Cash Balance	32.6	41.7	53.1	58.3	59.0	54.3	43.8	27.4
Encumbrances	1.7	1.9	2.2	2.1	2.1	2.1	2.1	2.1
Unencumbered Balance	30.9	39.8	50.9	56.2	56.9	52.2	41.7	25.3
Property Tax - Renewal	0.0	0.0	0.0	0.0	4.1	8.1	13.1	18.0
Unencumbered Balance	\$30.9	\$39.8	\$50.9	\$56.2	\$61.0	\$64.4	\$67.0	\$68.6

Strongsville City Schools

May 2021 Five-Year Forecast (in millions)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Beginning Cash Balance	\$31.2	\$32.6	\$41.7	\$53.1	\$58.3	\$63.1	\$66.6	\$69.1
Total Revenues	73.1	79.8	85.3	81.6	84.5	85.4	86.4	87.5
Total Expenditures	71.7	70.7	73.9	76.4	79.7	81.9	83.9	85.9
Revenues over Expenses	1.4	9.1	11.4	5.2	4.8	3.5	2.5	1.6
Ending Cash Balance	32.6	41.7	53.1	58.3	63.1	66.6	69.1	70.7
Encumbrances	1.7	1.9	2.2	2.1	2.1	2.1	2.1	2.1
Unencumbered Balance	\$30.9	\$39.8	\$50.9	\$56.2	\$61.0	\$64.5	\$67.0	\$68.6

Strongsville City Schools

- Questions?